

BEFORE THE  
POSTAL REGULATORY COMMISSION  
WASHINGTON, D.C. 20268-0001

MARKET-DOMINANT PRICE CHANGE

Docket No. R2022-1

**RESPONSES OF THE UNITED STATES POSTAL SERVICE TO CHAIRMAN'S  
INFORMATION REQUEST NO. 3 AND NOTICE OF FILING UNDER SEAL**  
(April 27, 2022)

The United States Postal Service hereby provides its responses to Chairman's Information Request No. 3, issued on April 20, 2022. Each question is stated verbatim and is followed by its response. Concerning the response to Question 1, which was filed under seal, and for which the response is filed under seal, the Postal Service incorporates by reference the Application for Non-Public Treatment that it filed in conjunction with its notice of filing USPS-LR-R2022-1-NP1 on April 6, 2022, in this docket. USPS Notice of Filing USPS-LR-R2022-1-NP1, Docket No. R2022-1, April 6, 2022. The application protects from disclosure the information included in the response to Question 1.

Respectfully submitted,

UNITED STATES POSTAL SERVICE  
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April 27, 2022

**RESPONSES OF THE UNITED STATES POSTAL SERVICE  
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**First-Class Mail**

1. Please see Attachment, filed under seal.

**Response:**

The response is filed separately under seal.

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**USPS Marketing Mail**

2. Please refer to Library Reference USPS-LR-R2022-1/2, April 6, 2022, Excel file "USPS-FY21-11\_MM\_CR\_HD\_SAT.xlsx," tab "HDSAT\_ADJ\_UNIT\_COST," cell F33.
  - a. Please explain why the total modeled cost of saturation mail (cell H26) is excluded from this formula.
  - b. If the formula in cell F33 is an error, please resubmit corrected versions of Library Reference USPS-LR-R2022-1/2, Excel file "USPS-FY21-11\_MM\_CR\_HD\_SAT.xlsx" as well as corrected versions of any other affected Library Reference, workpapers, or attachments to the Notice (including updated Revised Attachment A page(s),<sup>2</sup> Excel file "Attachment B R2022-1.xlsx," and Library Reference USPS-LR-R2022-1/2, Excel file "CAPCALC-USPSMM-R2022-1.xlsx") if necessary.

**Response:**

- a. Omitting H26 from the formula in cell F33 of tab "HDSAT\_ADJ\_UNIT\_COST" in the Excel file "USPS-FY21-11\_MM\_CR\_HD\_SAT.xlsx" was an inadvertent oversight. The formula has been corrected to include H26 in the calculation.
- b. The Postal Service provided USPS-FY21-11\_MM\_CR\_HD\_SAT.xlsx as supporting documentation and did not directly use it in the development of any other documents or attachments in Docket No. R2022-1. The Postal Service is filing a corrected version of this workbook as "R2022-1 USPS-FY21-11\_MM\_CR\_HD\_SAT\_CHIR3\_q2.xlsx" with these responses. No other documents are affected by this correction.

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<sup>2</sup> United States Postal Service Notice of Market-Dominant Price Change, April 6, 2022 (Notice).

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**Special Services**

For questions 3-7 below, please refer to Library Reference USPS-LR-R2022-1/5, April 6, 2022, Excel files "R2022-1 Special Services CapCalc.xlsx" (Special Services CAPCALC file) and "FY21Q2 – FY22Q1 Special Services Hybrid Year.xlsx" (Special Services Billing Determinants file). For any responses that require a change to either the Special Services CAPCALC file or the Special Services Billing Determinants file, please resubmit updated versions of those respective files.

3. Please refer to tab "F-6 Registered Mail" in the Special Services CAPCALC file. Cell C43 reports a volume of 21,408, which is taken from the Special Services Billing Determinants file, while cell F39 reports a volume of 1,222,712, which is calculated by dividing Handling Charges revenue by the current price.
  - a. Please confirm these numbers are correct. If not confirmed, please explain.
  - b. If part a. is confirmed, please provide an explanation for the discrepancy.

**Response:**

- a. Confirmed.
- b. This discrepancy is the result of the way the volumes are reported. The total number of registered mail pieces to which an additional handling charge was applied is reported in cell C43. However, the number of handling charges applied to a mailpiece are not applied on a one-to-one basis. A mailpiece is a single item, regardless of the number of handling charges that may apply to it. The number of handling charges is not reported.

For example, a registered mail piece with a declared value of \$26,000 would have the handling charge applied once and would count as 1 item with a handling fee, while a piece with declared value \$50,000 would have 25 handling charges applied but still only count as 1 item with a handling fee.

Finally, to determine the actual number of handling charges, divide the revenue in cell C52 by the price in cell G39.

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4. Please refer to tab "F-12 Signature Confirmation" in the Special Services CAPCALC file.
  - a. Please confirm that the value in cell C11, 8,580, is used in the formulas to calculate the result in both cell H11 and cell H12. If not confirmed, please explain.
  - b. Please confirm that the Postal Service intended to double count in this instance due to the explanation provided in Docket No. R2021-1.<sup>3</sup>
  - c. Please confirm that the total in cell H14 is correct. If not confirmed, please explain.

**Response:**

- a. Confirmed.
- b. Confirmed.
- c. Confirmed.

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<sup>3</sup> United States Postal Service Notice of Filing Updated Mail Classification Schedule Language, Apr. 12, 2022, Attachment A (Revised Attachment A).

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5. Please refer to tab "G-3 Certificates of Mailing" in the Special Services CAPCALC file. Cell C43 reports a volume of 11,886,577, which is taken from the Special Services Billing Determinants file, while cell H15 reports a volume of 8,168,067.
- a. Please confirm these numbers are correct. If not confirmed, please explain.
  - b. If part a. is confirmed, please further confirm that the explanation provided in Docket No. R2018-1 remains accurate.<sup>4</sup>
  - c. If part a., b., or both are not confirmed, please explain and file revised workpapers

**Response:**

- a. Confirmed.
- b. Confirmed.
- c. N/A.

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6. Please refer to tab "J-1 Other Income" in the Special Services Billing Determinants file. Please provide the quarterly volumes for all three products on this tab or explain why they cannot be produced.

**Response:**

The Postal Service has provided the quarterly volumes requested in the updated billing determinant and CapCalc files submitted with these responses. The files are named, "R2022-1 Special Services ChIR3 Q6 Special Services (4-21).xlsx" and "R2022-1 Special Services CapCalc (4.21).xlsx."

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7. Please refer to tab "K-1 ComputDelivSeq" in the Special Services CAPCALC file. Cell C9 reports 197 transactions, and cell F9 reports a volume of 196,652,448.
- a. Please confirm these numbers are correct.
  - b. If confirmed, please further confirm that the explanation provided in Docket No. R2018-1 remains accurate.<sup>4</sup>
  - c. If part a., b., or both are not confirmed, please explain and file revised workpapers.

**Response:**

- a. Confirmed.
- b. Confirmed.
- c. N/A.

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<sup>4</sup> Docket No. R2018-1, Response to CHIR No. 2, question 5.